

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7505

BILL NUMBER: HB 1543

NOTE PREPARED: Feb 18, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Regulation of Residential Leases.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill imposes certain procedural requirements on the adoption by a political subdivision of a regulation of landlord and tenant relations, residential leases, or inspection of real property subject to a residential lease. The bill provides that such a regulation may not: (1) require the licensing or registration of owners of residential rental property; or (2) impose a fee for certain inspections. It provides that such a regulation may not authorize investigation or inspection of a rental unit without probable cause.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: If additional public hearings are conducted, political subdivision legislative body member reimbursement could increase. The impact of this provision on local expenditures would depend on action taken by legislative bodies.

In addition, a political subdivision wishing to adopt regulations would provide notice of a public hearing to rental unit owners, subject to the regulations, via first class mail. Depending on the number of owners notified, the impact would likely be a minimal increase to a political subdivision's annual mailing expenses, particularly if metered mailing is used. Stamped first class mail is currently \$0.44 per letter and \$0.28 per post card.

Explanation of Local Revenues: (Revised) The bill could eliminate several municipal fees for rental

inspections/re-inspections. A few cities and towns with ordinances that charge fees for inspection of rental properties have been identified. The fees of two municipalities are as follows: City of Bloomington, \$50 per building plus \$12 per each unit in building. The Town of Munster's initial inspection fee is \$200 per dwelling or dwelling unit. Munster has re-inspection fees of \$40 for building code, \$40 for fire code, and \$20 for code enforcement. The total could be \$100 for re-inspections if needed.

State Agencies Affected:

Local Agencies Affected: Political subdivisions.

Information Sources: U.S. Postage Service; City of Bloomington; Town of Munster Municipal Code.

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